



MIAMI BEACH

City of Miami Beach

Affordable Housing Advisory Committee

**Triennial
Incentives Review and Recommendation Report**

November 14, 2012

City of Miami Beach
Affordable Housing Advisory Committee (AHAC) Recommendations
Triennial Incentive Review and Recommendation Report
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I. Background

The members of the Affordable Housing Advisory Committee (AHAC) were appointed at a Special City Commission Meeting on February 24, 2012.

There were a total of eight (8) AHAC meetings held to discuss incentives and formulate the recommendations report. The dates of these meetings were April 11, May 2, June 6, July 11, August 29, September 20, October 17, and November 14, 2012. A public hearing was held on November 14, at which time the AHAC's recommendations were presented in this report and approved by a majority of the committee. The recommendations report will be presented to the City Commission at its meeting on December 12, 2012.

Upon acceptance by the City Commission, the AHAC's final recommendations will be referred to appropriate City Commission Sub-Committees, as appropriate for further discussion. Staff from the Office of Real Estate, Housing, and Community Development, and AHAC Committee Members will attend the proceedings of the Sub-Committees to assist in answering questions and inform the committee of its goal of amending the City's Local Housing Assistance Plan (LHAP) and/or the City Code, as may be applicable.

II. Public Meeting:

To solicit public input on the AHAC's recommendations, the final meeting of the AHAC on November 14, 2012, was duly noticed as a public hearing at which time the AHAC's recommendations were presented in this report and approved by a majority of the committee.

This meeting notice was advertised in the Miami Herald, posted on City Hall's bulletin boards and advertised in the City's regular weekly post of City meetings.

III. Statutory Recommendations:

The following represents the summary of the discussions and recommendations related to the incentives provided in Florida Statutes 420.9076(4).

a. Incentive: Expediting the processing of approvals of development orders or permits for affordable housing development projects to a greater degree than other projects. [\[420.9076\(4\)\(a\)\]](#)

Synopsis of Discussion/Background: In the past, a system was in place whereby affordable housing development projects, along with City of Miami Beach's own projects were given priority processing. The 2008 AHAC recommended that the City of Miami Beach gave priority in scheduling a pre-design Conference with all relevant agencies including but not limited to: Fire, Planning & Zoning, Building, Historic Preservation, Public Works, Americans with Disabilities, and Housing & Community Development, for designated "Affordable Housing" development projects; and when the plans are ready for permitting, that first priority will be given to them with the goal of reducing the process time by 50%; further, that the City prepare a brochure that advises applicants of the application process; and the Housing and Community Development Director will act as "liaison" to coordinate and expedite the application with all relevant agencies. The AHAC further recommended that the City Manager reconfirm with the Building Department and other department heads, that the Director of Real Estate, Housing & Community Development is liaison for all affordable housing project permit issues and that it is the policy of the City to expedite permitting of affordable housing and to convene a meeting, if necessary, to ensure the implementation is in effect and working properly.

Recommendation: Reconfirm the City's commitment to this affordable housing development incentive. The AHAC further recommended that the Building Department should have staff members that are dedicated to all stages of the development process, from plans review through certificate of occupancy, to assure expedited handling and approval of all affordable housing development projects.

b. Incentive: The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing. [\[420.9076\(4\)\(b\)\]](#)

Synopsis of Discussion/Background: This incentive was taken up by the 1996 AHAC and the 2008 AHAC, which recommended that the City waive building permit fees. The recommendation was never implemented by the City.

The City Attorney's office opined that waiver of building permit fees are not allowable under law. This Committee still felt strongly about the need to reduce fees to incentivize developers to do affordable housing.

Recommendation: The City should continue to investigate ways to mitigate or delay payment of building permit fees to the greatest extent legally possible. This should include reviewing the legal basis that other communities have utilized to provide relief from permit fee expenses. Further, it was suggested that if fees could not be waived, then a separate reduced-rate fee schedule should be developed for affordable housing; or, that consideration should be given to ensuring that affordable housing be subject to the minimum fees available.

c. Incentive: The allowance of increased density levels /flexibility for affordable housing. [\[420.9076\(4\)\(c\)\]](#)

Synopsis of Discussion/Background: The 2008 AHAC recommended that the City consider amending its code to allow for an exception related to minimum and average size units for affordable housing, so that it mirrors the code's existing provisions for *elderly* affordable housing found in Section 142-1183; Secondly, allow "economic hardship" to be included as one of the variance criteria for affordable housing development projects which come before the Board of Adjustment. The modification relating to unit size was made via Ordinance No. 2011-3744, which was adopted October 19, 2011.

Recommendation: Reconfirm the City's commitment to this affordable housing development incentive.

d. Incentive: The reservation of infrastructure capacity for housing for very-low-income persons and low-income persons. [\[420.9076\(4\)\(d\)\]](#)

Synopsis of Discussion/Background: This incentive was deemed inapplicable to Miami Beach.

Recommendation: None

e. Incentive: The allowance of affordable accessory residential units in residential zoning districts. [\[420.9076\(4\)\(e\)\]](#)

Synopsis of Discussion/Background: The City already allows accessory type units to be used as residences in the case of multi-family residential zones--for example, the conversion of stand-alone garages, in-law quarters, etc. These units can have their own utilities, addresses, etc. The allowance however does not extend into the single family zones and doing so would not produce any significant benefit to allow for such. Because of the already developed environment of the City, expansion of accessory units is not practical or feasible and the committee does not make any recommendation.

Recommendation: Reconfirm the City's commitment to this affordable housing development incentive.

f. Incentive: The reduction of parking and setback requirements for affordable housing. [\[420.9076\(4\)\(f\)\]](#)

Synopsis of Discussion/Background: The 2008 AHAC recommended that the City Commission consider amending the Code to allow new construction of affordable housing to have 1.0 parking space for units 550 square feet or smaller instead of the current 1.5 spaces. The reduction of setback requirements was deemed inapplicable to Miami Beach and no recommendation was proffered. This modification to the code (which applies to units of 800 square feet or less) was made via Ordinance No. 2011-3744, which was adopted October 19, 2011.

Recommendation: Reconfirm the City's commitment to this affordable housing development incentive.

g. Incentive: Flexible Lot Configurations - The allowance of zero-lot-line configurations for affordable housing. [\[420.9076\(4\)\(g\)\]](#)

Synopsis of Discussion/Background: This incentive was deemed inapplicable to Miami Beach. No recommendation was proffered.

Recommendation: None

h. Incentive: Modification of street requirements for affordable housing. [\[420.9076\(4\)\(h\)\]](#)

Synopsis of Discussion/Background: This incentive was deemed inapplicable to Miami Beach with its compact buildings with relatively small scale sidewalks and streets. No recommendation was proffered.

Recommendation: None

i. **Incentive:** The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing. [\[420.9076\(4\)\(i\)\]](#)

Synopsis of Discussion/Background: The 2012 AHAC continued the discussions of the 2008 AHAC regarding this issue, and agrees with the recommendation that there should be a staff analysis of items coming before the Planning Board that should include an inquiry asking: "Will this item have a negative impact on the availability of affordable housing in Miami Beach?" If staff analysis determines that the item may have a negative impact on an affordable housing project, this fact should be communicated to the Housing Director prior to the Planning Board meeting. The Director will then have a period of time to provide an opinion to the board as to the depth of the negative impact and whether he or she believes the costs outweigh the benefit. This recommendation was not implemented following the submission of the previous AHAC Report.

Recommendation: This process should be implemented by the City.

j. **Incentive:** The preparation of a printed inventory of locally owned public lands suitable for affordable housing. [\[420.9076\(4\)\(i\)\]](#)

Synopsis of Discussion/Background: Since 1996, when this incentive was first taken up by an AHAC, the City has deeded all of its developable land. For the 2008 AHAC, the Housing Division compiled a list of its City-owned properties and found there are no City-owned properties available upon which to build affordable housing or for housing of any kind. A recent version of that list, presented to the 2012 AHAC, did not indicate any change in the status.

The AHAC discussion was centered on a different approach to looking at the properties. Instead of looking at the City-owned properties as undevelopable, the City should analyze properties and locations to determine if there are sites that could be modified to make them developable affordable housing sites.

Recommendation: Review and analyze the list of City-owned properties to determine if, through re-zoning or change of use, certain properties could become developable sites for affordable housing.

k. Incentive: The support of development near transportation hubs and major employment centers. [\[420.9076\(4\)\(k\)\]](#)

Synopsis of Discussion/Background: Due to its narrow geography, and numerous bus lines, there are no transportation hubs per se in Miami Beach and no need to strategically place affordable housing related to these considerations.

Recommendation: None

IV. New Incentives /Recommendations identified by the AHAC:

a. Incentive: Finding properties such as those with significant Code Enforcement violations/liens or in foreclosure to be targeted as potential affordable housing conversions.

Synopsis of Discussion/Background: The AHAC suggested that the City's lists of properties with code enforcement liens or in foreclosure/vacant status might be a good source for identifying properties that might be suitable for affordable housing development.

Recommendation: Staff should review and analyze its list of properties with code enforcement liens or in foreclosure/vacant status to determine if they might be suitable for affordable housing development. Then consideration should be given to acquisition of those qualifying properties through the use of funds and fee waivers to encourage affordable housing development on those sites.

b. Incentive: Assessment of additional impact fees for development of property unrelated to affordable housing.

Synopsis of Discussion/Background: The AHAC suggested that the imposition of additional impact fees on developers of both residential and

commercial market-rate properties could be used to create a pool of funds dedicated to affordable housing development.

Recommendation: Staff should review the financial impact and consider imposing additional impact fees on developers of market-rate properties as a source of funds dedicated to affordable housing development.

c. Incentive: Hotel developer incentives for inclusion of affordable units.

Synopsis of Discussion/Background: The AHAC discussed the possibility of the City providing financial incentives to encourage hotel developers to set-aside some of their space as affordable rental units to be utilized by permanent low/moderate income tenants. This was considered not feasible. But providing space off-site might be feasible.

Recommendation: Staff should review the possibility of developing incentives to encourage hotel developers to participate in the development of affordable housing by providing units off-site, or by contributing to an affordable housing fund.

d. Incentive: New City of Miami Beach development projects to include an affordable housing component.

Synopsis of Discussion/Background: The AHAC suggested that given the City's current mode of development, there is a potential for incorporating affordable housing units into some of the new developments. This would provide an ideal opportunity to utilize the mixed-use concept of development.

Recommendation: As a starting point, the current Convention Center Project should include an affordable housing component. In the future, all development projects should be evaluated to determine if affordable housing can be incorporated. If so, then a minimum requirement for affordable housing should be set for the development of the project. Additionally, those RFPs that exceed the minimum requirement should be allocated extra evaluation points for including affordable housing as a component of the proposal.

e. **Incentive:** Development of Land Trusts.

Synopsis of Discussion/Background: Land Trusts have been utilized in other cities as a means of developing affordable housing. This concept is also utilized as a means of better ensuring the affordable housing that is developed can be retained for an extended time into the future.

Recommendation: City staff should explore the ways Land Trusts can be utilized for developing affordable housing. Other cities that have successfully utilized them should serve as a source for investigating the pros and cons.

f. **Incentive:** Provide financial incentives for employers that contribute to the development of workforce housing.

Synopsis of Discussion/Background: If new or existing employers are willing to contribute to the development of workforce housing, either through monetary contributions or actual development, then they could be provided with some type of fee waivers or other fee reductions or credits.

Recommendation: The City should provide additional affordable housing funding to supplement its entitlement funding that is received from the U.S. Department of Housing and Urban Development (HUD) and from the State of Florida. This additional funding could be utilized to fund development projects or to offset fee waivers or credits provided to the employers for their investment in affordable housing.

The foregoing recommendations were adopted by the City of Miami Beach Affordable Housing Advisory Committee and are being submitted herewith for approval to the City Commission of the City of Miami Beach, Florida on this 14th day of November, 2012.

Jeremy Glazer, Vice-Chairman